LUMBER REPORT

Wall St. moves into lumber market

(Continued from page 12)

several cases we've seen the speculator bring wood in the market and say it's from a particular mill, but below the mill's price at that time."

Extended storage also produces perhaps the most controversial criticism of Bear Stearns and other entities like it, that the huge amount of lumber being stored depresses the market. Zwanzig, of Stotler, notes that despite tremendous demand for lumber during the past six months, between June 1983 and January 1984 spruce 2x4s were not traded at above $174.

"I would suggest that what happened the time spruce got to $174 was that someone made it available at $164," he said.

Estimates abound concerning the amount of lumber Bear Stearns and companies like it have on railcars and at reload centers throughout North America. A Canadian flatcar shortage has even been blamed on Bear Stearns by those who suggest the company stored lumber in cars because it received bargain demurrage rates.

It is difficult to assess the dimensions of Bear Stearns' lumber holdings because neither the company nor the Chicago Mercantile Exchange will provide numbers. While Bear Stearns dismisses the railcar shortage allegation, it does little to dampen speculation about the lumber volume it owns.

"A lot of the retail notion that if I call and deal with the mill I get the inside price is completely incorrect," said a source close to the company. "Some organizations, such as ours, have more inventory than any mill could possibly imagine having."

Some knowlegeable industry observers, like G-P's Porter, question the amount of lumber Bear Stearns controls. "I could buy 100 cars right now and I bet you that with the right conversations the opinion of the industry would be that I just bought 300 cars," he said. "We perpetuate our own ignorance in this industry because we are eternal optimists. I think the rumors of how much Bear Stearns owns and its influence are exaggerated."

"If Bear Stearns has 7,000 cars or 2,000 cars of lumber sitting somewhere I would find it hard to believe it was not trying aggressively to sell large volumes to people that could sell large volumes," Porter continued.

"They are not calling us other than trying to sell occasional cars. If that kind of volume was sitting out there, pressure on the market would be tremendous. The market would be trying to hit bottom. It has not and is not."

Bear Stearns is also not selling large quantities of wood to Weyerhaeuser, according to spruce purchaser Tom Ellis, who said the forest products giant had purchased some wood from the brokerage but characterized it as "a small percentage of what we do."

Among the major retailers, Payless just took its first shipment from Bear Stearns, only a few cars, and Lowe's volume with the company is insignificant, according to Ken Moore, vice president, merchandising.

"There's been an abundance of lumber recently," he said, "and no need to find another source."

Robinson of Builder Marts, which has also purchased some wood from Bear Stearns, questions whether the Wall Street team is an effective marketer of lumber. Actually, a main Bear Stearns player, Francis Dunlevy, comes from North Pacific Lumber, a wholesaler.

A source close to Bear Stearns would not comment on the effectiveness of the firm's program, but admitted that its biggest obstacle to success in the lumber business is the attitude of some potential suppliers and customers that, "We were in the business before you and we'll be in the business after you leave."

While Bear Stearns apparently can pick up new, important customers like Payless Cashways, many in the industry continue to express resistance to the new type of companies entering the business.

"What you want in an industry is participants who hve a stake in the business, an investment," said Rick Franko, sales manager for Weldwood, a British Columbia producer that last year sold 925 million board feet of lumber, some of which probably reached Bear Stearns through various channels.

Echoed Jack MacMillan, Canadian Forest Products vp for lumber marketing, "We feel we're better off dealing with longstanding customers who know how to distribute lumber."

Zwanzig, the Spokane future broker, speculates that Bear Stearns' success would, ironically, only number its days in the business because its activities will continue to stabilize lumber prices and minimize the seasonal price swings on which it depends for profit.

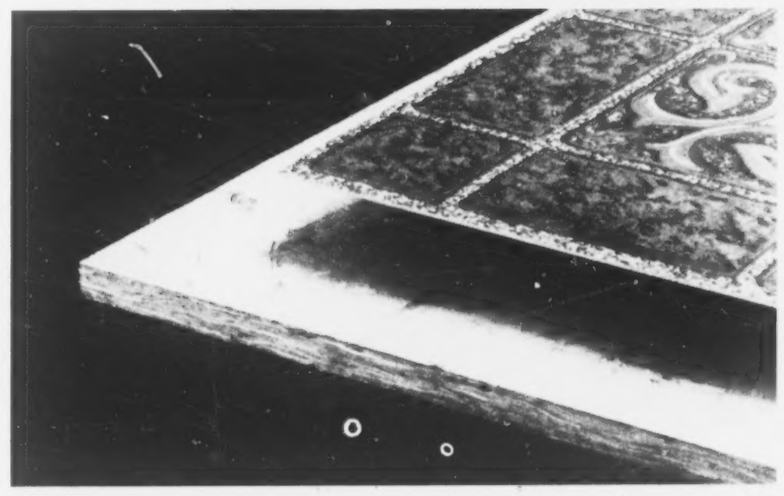
"They'll defeat themselves," said Zwanzig. "But people who use wood should be damn glad they're here because they're keeping the lid on the market."

> *'I could buy 100 cars right now and I bet you that with the right conversations the opinion of the industry would be that I just bought 300 cars . . . We perpetuate our own ignorance in this industry because we are eternal optimists.*
>
> **—Ken Porter,**
> *distribution div. general sales mgr., Georgia-Pacific*

MANUFACTURERS and SHIPPERS!
A SINGLE SOURCE FOR:
- Wood Lath
- Pine Boards
- Furring Strips/1x2—1x3—2x2
- Pressure Treated Landscape Timbers
- Cedar Shingles/Shims
- Pre-Fabricated Wood Fencing
- Cypress Mulch
- Snow Fence/Corn Cribbing
- Pine Bark Nuggets

Mixed and Pool Trucks Available
FOUR SALES OFFICES
For Immediate Service Call
313-626-2322
MID-AMERICA
MID AMERICA
P.O. Box 2973
Farmington Hills, Mich.
48018

Together, at last



Finally, an underlayment free of core voids, splinters, patches. Sure to please you and your customers is Blandex's® new ¼" underlayment panel. Smooth and consistent, Blandex® waferboard is sanded to a thickness of .250 inch ±.005 tolerance.

Blandex® is the ideal underlayment panel because it has less linear expansion than other comparable underlayment panels.

Limited warranty, too.
Won't warp, buckle, or delaminate. Won't split or crack when nailing or stapling.

Ah-hhh. Trouble-free floors and Blandex® underlayment. Together, at last.

(Contains no urea formaldehyde.)

TECO stamped
FHA/HUD

BLANDEX building products

Blandin Wood Products Company
502 County Road 63
Grand Rapids, MN 55744
(218)327-6333

BLANDEX

You Have Heard about our Programs ...
Now Take a Closer Look at our QUALITY.
Dynamic, Informative, Award Winning Packaging

Drummer Award

Bold Graphics for Quick and Easy Product Selection

Complete Easy to Follow Installation Instructions on the Back

the do-it-yourself Plumbing and Electrical People
WAXMAN INDUSTRIES INC.
A Tradition of Quality for 49 Years!

Cleveland
24460 Aurora Rd.
Bedford Hts., Ohio 44146
(216) 439-1830

Dallas
4125 Billy Mitchell Dr.
Dallas, Texas 75234
(214) 387-8610

New Jersey
601 Union Blvd.
Totowa, New Jersey 07512
(201) 790-1800

BEST AVAILABLE COPY

BEST AVAILABLE COPY

2/23/84
C5150-6

Decorative Products Supplement: Attracting the female shopper—pp. 31-5

00300530 MC
CONGRESSIONAL INFO INC
4520 EAST-WEST HWY/STE 60 DH
WASHINGTON DC 20014

National
Home Center News ®

Vol. 10, No. 5 The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. February 27, 1984

Baltimore area home center lineup

Chain	No. of stores	Chain	No. of stores
Hardware Fair	10	Channel	6*
Hechinger	6	Inner Harbor	2
Scott's	6	Mr. Goodbuys	1

*Planned by end of 1984

Source: NHCN research

Channel will follow up last year's four-store expansion into Washington, D.C., with a six-unit move into Baltimore in 1984. NHCN photo

Channel maps 6-store entry into Baltimore metro market

1984 expansion will push chain over 100 stores

By Greg Puchalski
NHCN senior editor

BALTIMORE—Channel Home Centers will follow last year's four-store expansion into Washington, D.C., with a six-unit move into this market in 1984.

Although chain officials said they have not finalized the timetable and the sites for the expansion, they noted that all six outlets will be operating by the end of the year. Negotiations for sites, both as takeover and new-build facilities, are proceeding.

Channel's move here with stores averaging 50,000 sq. ft. will match the penetration of Hechinger and Scott's, both of which have six stores in the Baltimore area. Hechinger, in fact, debuted its sixth store in six years in the market only last December.

The expansion will result in Channel sharing a market with Hechinger for the third time and with Scott's for the second time. The three compete in the Washington area while Channel's and Hechinger's initial encounter took place in the Philadelphia area in 1981.

However, the Washington scene has developed into a sharp pricing battle among the three, especially since Channel unveiled a "warehouse price" strategy aimed mainly at counteracting Hechinger's dominance in the market (*NHCN*, Sept. 26, 1983). Dealers expect the price battle simply to extend northeastward because Channel probably plans to employ its Washington pricing strategy in its Baltimore stores as well.

Hechinger has reacted in the Washington market with lower prices of its own.

"At one time, Hechinger personnel worked a 24-hour day at a store to adjust prices," an area retailer related. "There's definitely going to be a price war in Baltimore."

Dealers expect Channel to "dot the Beltway," according to Inner Harbor Lumber and

(Continued on page 92)

Scotty's hardware stores aimed at smaller markets

ST. CLOUD, Fla.—Scotty's has launched a new retailing strategy in this small town 25 miles southeast of Orlando where early this month it opened its first 8,000-sq.-ft. hardware store.

According to executive vp Dennis Stults, Scotty's plans to operate three to four Scotty's Hardware units by year's end

Scotty's HARDWARE
A HARDWARE STORE AND MORE!

with a second store scheduled to open next month in Zephyrhills, Fla., 20 miles northwest of the chain's Winter Haven headquarters.

The new approach is aimed at gaining sales from smaller markets where operating a typical 37,000-sq.-ft. Scotty's would be impractical. Stults said the hardware stores would also attempt to draw a higher percentage of women shoppers with a product mix partially designed to reach them.

The new store carries about 6,000 stock keeping units, or almost all the items stocked in the chain's typical stores, as well as a broad selection of housewares, cleaning aids and automotive accessories. Automotives will be expanded to all Scotty's 104 stores this year.

Scotty's St. Cloud store, which opened Feb. 3, and had its official grand opening Feb. 8-12, was formerly an Eckerd Drug store and is located in a strip mall with a Winn-Dixie supermarket and Ben Franklin variety store. Stults said ideal future sites would also be near supermarkets and drug stores to take advantage of the convenience aspect of one-stop shopping.

"This concept is something we've been toying with for a couple of years," he said of the hardware stores. "We feel the time is right and the market conditions are right for its introduction."

That timing may in fact be tied to the recent upturn in Scotty's performance. Earnings in the quarter ended Dec. 31 rose 97% on a 25% increase in sales (21% on comparable stores) compared to the year before. A 60% gain in contractor volume and a 14% gain in DIY sales pushed quarterly revenues to $100.4 million and earnings to $6.3 million. Gross

(Continued on page 92)

Home Shop in upheaval:

New leadership pares growth plan

By John Caulfield
NHCN senior editor

RICHMOND—Last February, Robert Hay told *NHCN* about a grand design to convert 34-unit Home Shop into a profitable 500-to-1,000-store goliath selling hardware and housewares in neighborhoods throughout America.

A year later the company is struggling with two fewer stores, flat annual sales of $24 million and a substantial decline in earnings. The company also has a new president.

Hay left in November and was replaced by John Sisk, president of The Home Shop's corporate parent, American Shelter Industries (AMSHEL).

Sisk has steered the chain on a new course that includes a revamped merchandising strategy, more rigid cost controls and an expansion plan about one-tenth the size of Hay's, although AMSHEL is currently investigating two chains that could add 20 stores and $20 million to the company.

Home Shop's upheaval stems from a merchandising approach adopted during Hay's tenure. The company pursued an aggressive pricing strategy that resulted in a four point drop in margin. To gain volume, advertising dollars were doubled, but the sales never came.

(Continued on page 91)

NEWSBREAKS

RETURNING TO NASHVILLE. Homecrafters Warehouse, Birmingham, Ala., will re-enter the Nashville, Tenn., market when it opens two warehouse-type units there by August. The chain, while operating as Homecrafters Centers, a Union Camp subsidiary, had closed five stores in Nashville and subsequently sold four of them to Lowe's late last year.

HEADING TOWARD ANOTHER BILLION. With four days in the fiscal year still to go and year-end adjustments yet to be made, Lowe's fiscal 1983 sales through Jan. 27 had reached $1.433 billion, up 39% from the comparable period in 1982.

INSIDE:

WINTER HARDWARE SHOW REPORT ..... Page 2
GREEN GOODS PRICES could rise due to a December cold snap in Texas and Florida that eliminated surplus stock .... Page 3
STOLEN FLAG EPISODE results in wave of free publicity for Somerville Lumber ..... Page 3
NATIONAL HOME CENTER SHOW PREVIEW Pages 15-22

Michigan paneling retailer borrows warehouse format

By Phillip M. Perry
NHCN associate editor

GRAND RAPIDS, Mich.—Eight years ago, when a young executive from a family-owned chain of Midwest lumberyards was looking for new merchandising ideas at a trade show, a vendor suggested he chat with James Sweet, now chairman of the board of Scotty's, the chain of home centers based in Winter Haven, Fla.

What came about as a result of a subsequent lunch and tour of several Scotty's stores was Payless Panel-Ville, an independent, $2 million Michigan chain of three specialty stores that has taken the unusual step of incorporating a number of characteristics more typical of high-volume, warehouse-type retailing.

PAYLESS PANEL-VILLE
SPECIALTY BUILDING SUPPLIES

Not only does the Panel-Ville approach include bare floors, bulk stacking and a no-frills look, but also the "buying in volume and stocking in depth" that lets warehouse operations compete aggressively on price.

Last month, in a move to identify the faster moving stock keeping units and thus adjust the selections of merchandise it purchases in volume, the chain began entering its inventory by item on a new computer system. The knowledge of which sku's move faster will allow the chain to purchase them in greater volume and thus at better prices.

Implementing a modern inventory management system is but the latest in a series of improvements instituted at Panel-Ville since its founder, James Rottschafer, had lunch with Sweet in Orlando, Fla., eight years ago.

"Scotty's was opening its 51st store at the time, and I was fascinated with several aspects of what I saw," recalls Rottschafer, the 44-year-old president of Payless Panel-Ville.

(Continued on page 92)

James Rottschafer combined the idea of a specialty store, some retail warehouse concepts and his knowledge of the paneling market to create Payless Panel-Ville.

NHCNews Briefs

Industry Update

Top execs resign in Evans move

PORTLAND, Ore.—Victor Posner's growing control over Evans Products has squeezed several top executives out of the company, based on information in an 8K report filed with the Security and Exchange Commission early this month.

The document also confirmed that Evans' corporate headquarters will be moved to Miami, "on or after April 20."

The four resignation announcements contained in the document roughly correspond to that time frame.

The following officers submitted resignations in late January or early February but will remain on Evans payroll through most of the spring: Donald Desimini, executive vp/finance and operations; Richard Kent, vp/general counsel; L. L. Weigel, executive vp, cfo, and Jerry Colson, vp/controller.

Homecrafters sale completed

WAYNE, N.J.—Union Camp earlier this month completed the previously announced sale of its Homecrafters' subsidiary to Homecrafters Warehouse, Birmingham, Ala., for about $31 million.

The final transaction came on the heels of Homecrafters Warehouse's initial public offering of two million shares of common stock at $16 per share. The company, headed by home center entrepreneur Georges Hanzi, used the proceeds from the offering to acquire 36 stores, including the new 57,000 and 69,000-sq.-ft. Homecrafters Warehouse outlets opened late last year in Memphis (*NHCN*, Dec. 12, 1983).

The sale ends a more than two-year search by Union Camp, a conglomerate with interests in chemicals and forest and paper products, to divest itself of Homecrafters and take itself out of the home center business. Hanzi was brought in to run Homecrafters and to formulate a deal in 1982.

Mich. Gen'l sells noncore holdings

DALLAS—Michigan General early this month sold six of its noncore businesses to another Dallas-based company for $19.5 million, including $9 million in cash and $10.5 million in a secured five-year note.

Michigan General retained only Diamond Lumber Homebuilding Supply Centers, which it purchased last September, Krestmark, the millwork manufacturer, and Allied Stores, a clothing chain in the Southeast.

The following companies were sold to Dallas' First Tarent Inc: Mike Hunter Highway Safety Construction; Marietta Concrete Co.; M-Chem Inc., a distributor of oil-filled chemicals; Kings Highways Mobile Industries Inc., a manufacturer of recreational vehicles; Pinnacle Books, a paperback publisher, and LFD Inc., a furniture retailer.

Pay 'N Pak Hawaii whse

HONOLULU—When Pay 'N Pak opens its Honolulu store this spring, the unit will be called The Home Improvement warehouse because the name Pay 'N Pak is already being used by another company on the island.

The Hawaii unit of the 100-store home center chain will be housed in a 75,000-sq.-ft. building formerly owned by Del Monte Corp. Annual sales are expected to reach $10 million initially, $15 million with store maturity.

A typical Pay 'N Pak generates average sales of about $2.5 million. That level has been boosted significantly in stores converted to warehouse formats, with the Kent, Wash., prototype experiencing 30% to 35% sales gains, according to a Pay 'N Pak report to its employees.

National Home Center News

Financial News	6	**Decorative Products Supplement**	**31-64**
People	8	New Products	65, 66
Editorial	10	Calendar	82
Washington View	10	**Systems & Operations**	**83-86**
Lumber Report	12	Security/Shortage Control	85
Lumber Futures	12	Price Point Survey	86
Home Center Show Preview	**15-22**		
Advertising & Marketing	**24-29**		

National Home Center News (ISSN 0192-6772) is published biweekly, every other Monday, 25 times a year, beginning with the first Monday in January through the fourth Monday in November, monthly in December; by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Manufacturers, schools, libraries and all others: $20 a year ($21 in Canada). Foreign subscriptions: Airmail only, $100 per year.

Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 10, No. 5. Copyright© 1984 by Lebhar-Friedman Inc. All rights reserved. Postmaster: Please send address changes to Subscription Dept., National Home Center News, 99 Park Ave., New York, N.Y. 10157. For change of address six weeks notice is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 10, No. 5 February 27, 1984

Second Winter Hardware Show sees larger industry attendance

***NHCN* staff round up**

LAS VEGAS, Nev.—Attendance at the second annual Winter Hardware & Home Center Show held here Feb. 11 to 13 surpassed the inaugural 1983 show, when some 20,000 persons participated in the three-day con-fab.

Although final attendance figures were not available, the show organizers said that 10 days before the event preregistration was 34% ahead of 1983's.

The major home center chains represented generally sent small delegations—typically one or two persons—and some manufacturers complained that the buyers weren't appropriate for their product categories.

Yet among the 750 exhibitors whose booths took up 170,000 sq. ft. of space at the Las Vegas Convention Center, there were many positive comments. Several manufacturers said booth traffic and sales leads were particularly strong from independent hardware retailers. One product maker asserted the eight leads he received in the show's first two hours justified his return to the show slated for Feb. 16 to 18, 1985.

Statements from show participants indicated that the show was an excellent opportunity for regional manufacturers and retailers who do not have the resources to regularly attend the major national trade shows. Consequently, its timing proximity to the National Home Center show being held in Chicago March 11-14 was not a problem for many participants in Las Vegas.

Among prominent home center retailers in attendance were most West Coast-based chains including Builders Emporium, Ernst. O'Malleys, Lumberjack, Boise Cascade, Lanoga, Nei-

(Continued on page 91)

National plans San Diego move; opens first new unit in two years

By Brad Altman
West Coast editor

SANTA ANA, Calif.—National Lumber has opened its first new unit in nearly two years and revealed that it has set its sights on San Diego County as part of a major expansion push that will see its store count increase to 18 by early 1985. The chain opened its 13th unit Feb. 10, in Culver City, a West Los Angeles community. The 60,000-sq.-ft. store includes 10,000-sq.-ft. receiving area and 50,000-sq.-ft. selling space, of which 7,000 sq. ft. is outside garden.

Mel Jaffee, National's president and ceo, confidently forecast that the store will develop into National's No. 1 sales volume store. National's 1983 sales are estimated at more than $100 million.

The new unit is on the site of a former Safeway supermarket and is the first store National has opened since its Palm Springs area store debuted in April 1982.

But National is now gearing up for fast-track expansion following its public stock offering last fall which raised some $10.5 million. Jaffee said National's 1984 capital expenditures budget for site selection, development and construction is about $5.5 million.

The five new units to open in 1984 and 1985 are:

—Encinitas. This northern San Diego County city will be the site of a 67,000-sq.-ft. unit. Groundbreaking isn't set until January 1985. Jaffee revealed that "new merchandising concepts" will be tested at this store, but wouldn't disclose any details. Further San Diego expansion is being explored, he said. The county is a logical

(Continued on page 91)

Existing homes more affordable at end of 1983

NATIONAL REPORT—Existing homes were more affordable in December than in any month over the last four years, according to the National Assn. of Realtor's housing affordability index.

The December index stood at 86.2, a rise of 1.4 percentage points over November. This is the sixth consecutive month that the index has risen.

December's index means that a household earning the United States median family income of $24,700 had 86.2% of the income needed to qualify for the purchase of a median price home

Three main factors were responsible for the increase in affordability, a slight drop in mortgage interest rates, and a decrease in resale house prices together with a modest rise in family incomes.

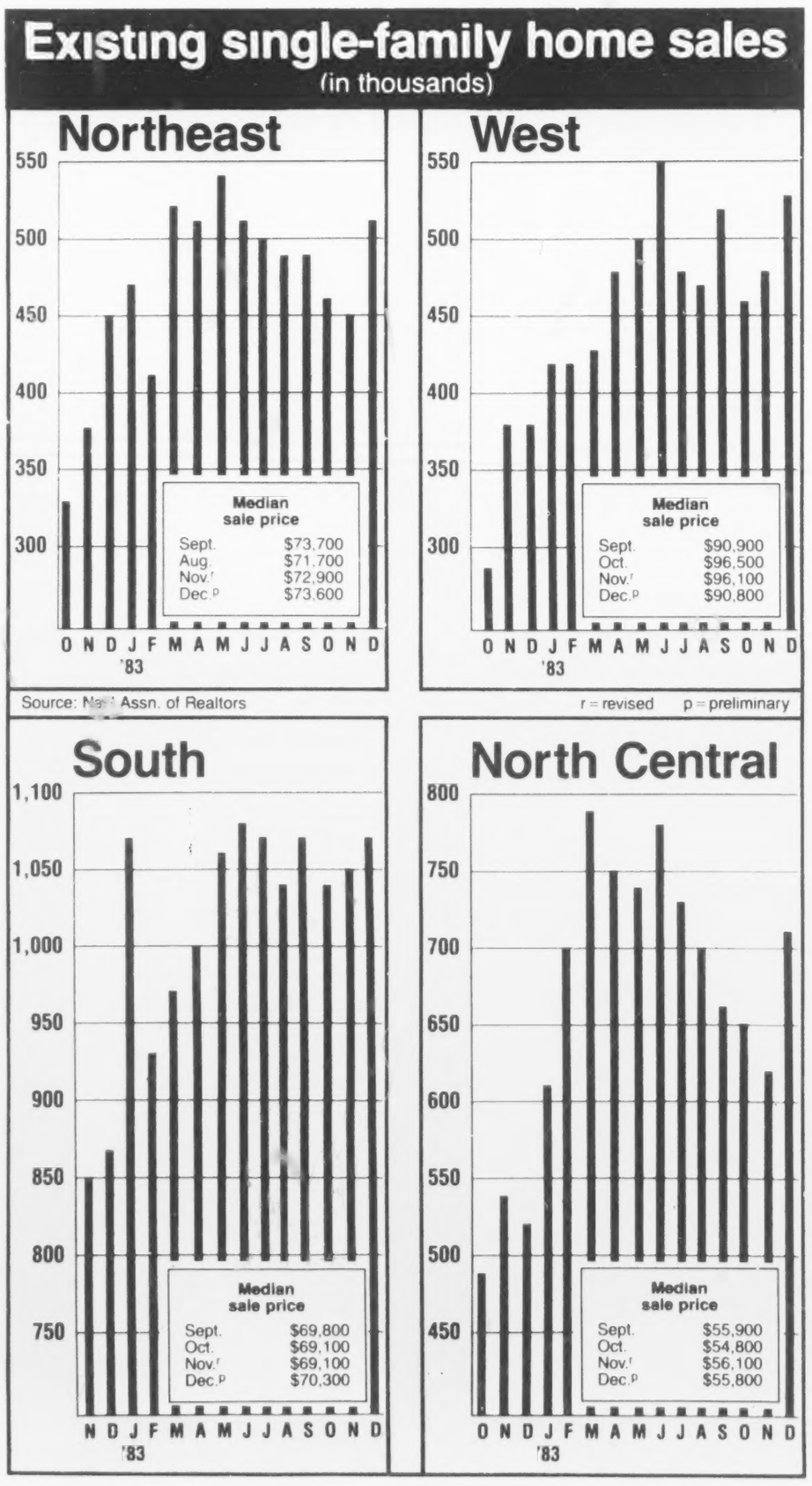
Although interest rates on fixed-rate mortgages remained the same as November, at 13%, those on adjustable rate mortgages (ARM's) dropped from 12.2% in November to 12% in December.

"The growing reliance on ARM's which carry lower initial rates than fixed-rate mortgages is helping many homebuyers to overcome affordability problems," commented Dr. Jack Carlson, the association's chief economist.

Of the loans closed in December, 59% were ARM's

December's rise in the housing affordability index is also related to the fact that the existing single-family home prices dropped by $100 over November, while at the same time median family income rose by $106.

This allowed households of median family income to qualify for the purchase of a $60,600 house



December existing home sales were up 8.5% over the previous month to a seasonally adjusted annual rate of 2.82 million units. The North Central region experienced the greatest increase, up 14.5% ended a five-month decline in resale activity. Nationally, the median sales price for single-family homes declined by $100 from November. However, prices continued to rise in the South and Northeast by $1,200 and $700, respectively.

FINANCIAL NEWS

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Boise Cascade	12/31-4th qtr. 12/31-Year	$ 900,940 3,450,890	$ 720,910 2,912,450	25 18	$ 14,230 60,380	$ 7,640 7,250	86 733
Color Tile	12/31-2nd qtr.	68,722	57,945	19	3,604	3,103	16
W. R. Grace	12/31-4th qtr. 12/31-Year	1,753,748 6,219,470	1,584,457 6,126,119	11 2	57,987 159,715	54,031 319,762	7 – 50
Southwest Forest Industries	12/31-Year	636,415	534,008	19	24,696	– 27,389	—

*$ in thousands

Source: Company reports

STOCK PRICES

		As of 2/7	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)		38¾	47⅜	34½	20
Edison Bros. Stores (NYSE) [Handyman, Homer's]		38⅝	46¾	27¾	11
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]		8	19½	8	—
Forest City (AMEX)	A	15¾	20⅛	9⅛	12
	B	16	20½	13	12
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]		42⅜	50⅜	39½	13
Lowe's (NYSE)		20¼	32¾	18⅜	16
Michigan General (AMEX) [Diamond Lumber]		7¾	14	3⅝	—
Pay 'N Pak (NYSE)		15⅝	24	15¼	14
Payless Cashways (NYSE) [Furrow]		19⅞	34½	18⅜	15
Scotty's (NYSE)		14⅞	20½	14	13
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]		13¼	16⅞	12⅛	—
Standard Brands Paint (NYSE)		19¼	28¾	18¼	11

Nasdaq—over-the-counter stocks

		As of 2/7	52-week High	52-week Low	P/E Ratio
Color Tile		16½	27⅝	13⅝	—
Hechinger	A	17	24½	15	—
	B	17	26½	14½	—
The Home Depot		17¼	31¾	14	—
Pay 'n Save		20⅛	29¼	16¾	—

Over-the-counter stocks

	As of 2/7 Bid	As of 2/7 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	22	24¼	25¼	12½
Hines Lumber	34½	37	41½	17½
Home Centers of America [units]	23	25½	51½	13¼
Homecrafters Warehouse	14	14¼	17½	14
National Lumber	9	9¼	13¼	9
Scotts Seaboard [Scott's]	4	4½	5	⅞
Wolohan Lumber	5½	5⅛	10⅛	5⅛

Boise Cascade distribution div. sales up 42% in 1983

BOISE, Idaho—Higher volume and a shift toward greater DIY business helped to produce higher profits for Boise Cascade's building material distribution division, which includes the company's 93 home centers in the western United States, officials said.

Sales in the fourth quarter increased 32% to $180 million in the division compared to a year ago to help 1983 division volume grow 42% to $731 million.

Combined with remodeling and remerchandising of various facilities over the past two-to-three years to take advantage of the DIY market, the sales results helped push profits higher in the fourth quarter and from a loss position in 1982 to a profitable one last year, according to officials. Specific earnings figures were not available.

The company's wood products business showed similar improvement and would have achieved breakeven in the fourth quarter and a modest profit for the year had it not been for losses associated with the closing of three Oregon plywood plants. Nonetheless, despite soft prices for its goods, the division's results were improved from 1982 when losses were substantial, officials said.

Overall, Boise Cascade showed an 86% rise in net income to $14.2 million on a sales gain of 25% to $900.9 million in the fourth quarter compared to the final quarter of 1982. Earnings for the year were up better than eightfold to $60.4 million on a sales increase of 18% to $3.45 billion.

Boise Cascade's capital spending for 1984 will double over 1983 to about $300 million, but a spokesman said the spending would not affect the company's stores in a significant manner.

Color Tile earmarks additional $5 million for stock purchases

FORT WORTH—Color Tile's board of directors has earmarked an additional $5 million for the purchase of the company's common stock, officials announced. From June 30, 1983 to Jan. 30, 1984, Color Tile had repurchased 1.1 million shares for about $18 million.

Color Tile's vice president, treasurer Barry Witt said the 600-plus store firm is repurchasing its stock because officials feel the stock is undervalued, it has excess cash reserves and to pay, in effect, a capital gains dividend to shareholders who sell the stock back to Color Tile.

The company has bout 9.5 million common shares outstanding.

Employees on the move?
Send us your personnel promotions and changes so that *NHCN* can keep the industry up to date about your chain. Include name of individual, company, new position, old position and years with the firm. Also, if possible, send black-and-white photo to People, *National Home Center News*, Lebhar-Friedman, 425 Park Ave., New York, N.Y.

This announcement constitutes neither an offer to sell nor a solicitation of an offer to buy these securities. The offering is made only by the Prospectus, copies of which may be obtained in any State from such of the undersigned and others as may lawfully offer these securities in such State.

January 26, 1984

2,000,000 Shares

Homecrafters WAREHOUSE

Common Stock

Price $16 per Share

Smith Barney, Harris Upham & Co. Incorporated
Howard, Weil, Labouisse, Friedrichs Incorporated

A. G. Becker Paribas Incorporated
Blyth Eastman Paine Webber Incorporated
Alex. Brown & Sons Incorporated

Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette Securities Corporation
Hambrecht & Quist Incorporated

E. F. Hutton & Company Inc.
Kidder, Peabody & Co. Incorporated
Lazard Frères & Co.
Prudential-Bache Securities

L. F. Rothschild, Unterberg, Towbin
Wertheim & Co., Inc.
Dean Witter Reynolds Inc.

ABD Securities Corporation
Basle Securities Corporation
A. G. Edwards & Sons, Inc.

EuroPartners Securities Corporation
Robert Fleming Incorporated
Kleinwort, Benson Incorporated
Montgomery Securities

Oppenheimer & Co., Inc.
Robertson, Colman & Stephens
Thomson McKinnon Securities Inc.

56% PROFIT
See Pages 28 & 29